



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1619 (1951)

SUBJECT: Obtaining Taxpayer Identification Numbers  
for Farmer Program (FP) Borrowers

July 8, 1987

TO: All State Directors, State Directors-at-Large, Farmer Program  
Chiefs, District Directors, and County Supervisors

PURPOSE/INTENDED OUTCOME

FmHA does not have Taxpayer Identification Numbers (TINs) for many Farmer Program (FP) borrowers. A TIN is either a Social Security Number (SSN) for an individual or an Employer Identification Number (EIN) for an organization such as a partnership or a corporation. The intended outcome is to obtain or verify TINs for all FP borrowers.

Obtaining correct TINs will allow FmHA to comply with Internal Revenue Service (IRS) regulations and Federal statute requiring that the Agency report interest paid by borrowers to the IRS.

COMPARISON WITH PREVIOUS AN

AN Number 1491 (1951) was signed on November 4, 1986, requiring that field offices review and update TINs for Single Family Housing borrowers.

IMPLEMENTATION RESPONSIBILITIES

A list "Farmer Program Borrowers with Potential Invalid Taxpayer Identification Numbers," is attached. This list identifies each borrower in your jurisdiction with an identification number that may not be the borrower's TIN. The list will be used to submit corrected numbers, where necessary, to the Finance Office. These borrowers were selected by running a computer program that identifies all identification numbers that start with three or more zeroes (including the zero that always precedes the borrower identification portion of the case number). While we realize that many such numbers are valid TINs, most FmHA assigned identification numbers also begin with three or more zeroes and the accounting system cannot discern between the two.

EXPIRATION DATE: August 31, 1987

FILING INSTRUCTION: Preceding  
FmHA Instruction 1951-A



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

The County Office may review borrowers' files to determine if the correct TIN is on file. If a correct TIN is not available in the borrower's file, the County Office will mail to that borrower the following: Attachment 1, which is a letter to the borrower; a copy of IRS Form W-9, Payer's Request for Taxpayer Identification Number and Certification (attached); and a complimentary envelope (without postage) addressed to the County Office. If the County Office does not wish to review borrowers' files, the County Office must mail the above material to each borrower on the list provided by the Finance Office. The Finance Office will provide address labels for each borrower identified to facilitate mailing.

Limited numbers of IRS Form W-9 may be available from local IRS offices. If an adequate supply is not readily available, FmHA offices must photocopy a sufficient supply. Offices need not copy the reverse of the form as only the front of the form needs to be completed.

If the borrower does not reply within the 5 days specified in Attachment 1, a telephone call to the borrower may be useful in obtaining the TIN. If no valid TIN can be obtained, Attachment 2 will be completed by the County Supervisor and sent to the Finance Office, Operations Division, Mail Code FC-353, 1520 Market Street, St. Louis, MO 63103.

If the borrower's TIN is obtained, the TIN should be entered onto the listing provided by the Finance Office in the column entitled "New Case Number." Continue to process all activity under the borrower's old case number until payment coupons with the borrower's new case number are received.

If the borrower's TIN is correct on the list, draw a line through the entry for that borrower. When all entries have been made, please return the list to the Finance Office at the Mail Code shown above. The information must be supplied no later than August 15, 1987. The Finance Office will perform followup reviews with each State Office to identify offices not complying with this AN.

Some entity borrowers may be using the personal SSN of a partner or member of a corporation rather than an EIN. These accounts are not included on the attached list as it appears to be a valid number in the computer. County Supervisors should check the case number when servicing their entity borrowers and obtain a W-9 to document the entity's EIN. Failure to do so will result in the reporting to IRS of interest being paid by the individual rather than the entity.

District Directors will be responsible for monitoring compliance with this AN.



VANCE L. CLARK  
Administrator

Attachments

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Attachment 1

(Inside Address)

Dear (Name of Borrower):

We have reviewed your Farmers Home Administration (FmHA) file and have determined that you may not have a valid Taxpayer Identification Number (TIN) on file with the Agency. A TIN is a Social Security Number if your farming operation is a sole proprietorship, or an Employer Identification Number (EIN) if your operation is a partnership or corporation.

An invalid number may have resulted from a case number being assigned to you by FmHA when you received your first FmHA loan. FmHA will change the previously assigned case number to your TIN.

A TIN is necessary to report the amount of interest paid by you on your loan to the Internal Revenue Service (IRS). FmHA is not requiring you to provide your TIN, however, IRS has the authority to levy a \$50 penalty against you each year until the number is provided.

Please complete the enclosed form and return it in the enclosed envelope within 5 days of your receipt of this letter. You need only provide your name, address, TIN, and sign the form.

Sincerely,

County Supervisor

Attachment

**Payer's Request for Taxpayer  
Identification Number and Certification**

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**Give This Form  
to the Payer,  
Middleman, Broker,  
or Barter Exchange**

Name as shown on account (If joint account, list first and circle the name of the person or entity whose number you enter in Part I below.)

Please print or  
type

Address

City, State, and ZIP code

List account number(s)  
here

**Part I Taxpayer Identification Number—For All Accounts**

Enter your taxpayer identification number in the appropriate box. For most individuals, this is your social security number. If you do not have a number, see *How to Obtain a TIN*.

**Note:** If the account is in more than one name, see the chart on page 2 for guidelines on which number to give the payer.

Social security number

OR

Employer identification number

**Part II For Payees Exempt From  
Backup Withholding (See  
Instructions)**

**Certification.**—Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

**Certification Instructions.**—You must cross out item (2) above if you have been notified by IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by IRS that you were subject to backup withholding you received another notification from IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see *Certification under Specific Instructions*.)

Please  
Sign  
Here

Signature

Date

**Instructions**

(Section references are to the Internal Revenue Code.)

**Purpose of Form**

Complete this form and give it to the payer of interest, dividends, and certain other payments (including broker and barter exchange transactions) so that you will not be subject to the 20% backup withholding that became effective January 1, 1984.

Use this form to report and certify your taxpayer identification number (TIN) to the payer, to certify that you are not subject to backup withholding because of underreporting interest and dividends on your tax return, and to claim exemption from backup withholding if you are an exempt payee.

If you do not complete this form properly and return it to the payer, the payer may be required to withhold 20% of payments made to you.

**Note:** If a payer gives you a form other than a W-9 to request your TIN, you must use the payer's form.

**What Is Backup Withholding**

The Interest and Dividend Tax Compliance Act of 1983 requires payers to withhold and pay to IRS 20% of payments of interest, dividends, and certain other payments under certain conditions.

is called "backup withholding." If you give the payer your correct TIN, certify your TIN when required, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding.

Payments you receive will be subject to backup withholding if:

- (1) You do not furnish your TIN to the payer, or
- (2) IRS notifies the payer that you furnished an incorrect TIN, or
- (3) You are notified by IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for interest and dividend accounts only), or
- (4) You fail to certify to the payer that you are not subject to backup withholding under (3) above (for interest and dividend accounts opened after 1983 only), or
- (5) You fail to certify your TIN. This applies only to interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

For other payments, you are subject to backup withholding only if (1) or (2) above applies.

Certain payees and payments are exempt from backup withholding and information reporting. See *Payees and Payments Exempt from Backup Withholding*, on this page, and *Exempt Payees and Payments under Specific Instructions*, on page 2, if you are an exempt payee.

**How to Obtain a TIN**

If you do not have a TIN, you should apply for one immediately. To apply for the number obtain Form SS-5, Application for a Social Security Number Card (for individuals), or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), at your local office of the Social Security Administration or the Internal Revenue Service. Complete and file the appropriate form according to its instructions.

If you do not have a TIN, write "Applied For" in the space for the TIN in Part I, sign and date the form, and give it to the payer. You will then have 60 days to obtain a TIN and furnish it to the payer. During the 60-day period, the payments you receive will not be subject to the 20% backup withholding. However, if the payer does not receive your TIN from you within 60 days, backup withholding will begin and continue until you furnish your TIN to the payer.

**Note:** Writing "Applied For" on the form means that you have already applied for a TIN, OR that you intend to apply for one in the near future.

As soon as you receive your TIN, complete another Form W-9, include your new TIN, sign and date the form, and give it to the payer.

**Payees and Payments Exempt from  
Backup Withholding**

The following lists payees that are exempt from backup withholding and information reporting. For interest and dividends, all listed payees are exempt. For broker transactions, payees listed in (1) through (13), and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if paid to payees described in items (1) through (6), except that a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operators.

- (1) A corporation.
- (2) An organization exempt from tax under section 501(a), or an individual retirement plan (IRA).
- (3) The United States or any agency or instrumentality thereof.
- (4) A state, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- (5) A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- (6) An international organization or any agency or instrumentality thereof.
- (7) A foreign central bank of issue.
- (8) A dealer in securities or commodities required to register in the U.S. or a possession of the U.S.
- (9) A futures commission merchant registered with the Commodity Futures Trading Commission.
- (10) A real estate investment trust.
- (11) An entity registered at all times during the tax year under the Investment Company Act of 1940.
- (12) A common trust fund operated by a bank under section 584(a).
- (13) A financial institution.
- (14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List.

Payments of dividends and patronage dividends generally not subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

Payments of interest generally not subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. *Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct TIN to the payer.*
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6042, 6044, 6045, 6049, and 6050A.

## Penalties

**Failure to Furnish TIN.**—If you fail to furnish your correct TIN to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Failure to Include in Income Dividend and Interest Payments.**—If you fail to include any portion of an includible payment of interest, dividends, or patronage dividends in gross income, and the payment was reported to you by the payer, such failure will be treated as being due to negligence, and you will be subject to a penalty of 5% on any portion of an underpayment attributable to that failure unless there is clear and convincing evidence to the contrary.

**Civil Penalty for False Information With Respect to Withholding.**—If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

**Criminal Penalty for Falsifying Information.**—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

## Specific Instructions

**Name.**—Be sure to enter your correct name. If you are an individual and your name has changed, for example, because of marriage, contact the Social Security Administration to report your new name.

### Certification.—

(1) **Interest, Dividend, and Barter Exchange Accounts Opened Before 1984 and Broker Accounts That Were Considered Active During 1983.**—You are not required to sign the certification, however, you may do so. You are required to provide your correct TIN.

(2) **Interest, Dividend, Broker and Barter Exchange Accounts Opened After 1983 and Broker Accounts That Were Considered Inactive During 1983.**—You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the payer, you must cross out item (2) in the certification before signing the form.

(3) **Other Payments.**—You are required to furnish your correct TIN, but you are not required to sign the certification. Other payments include payments made in the course of the payer's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services, payments to a nonemployee for services (including attorney and accounting fees), and payments to certain fishing boat crew members.

(4) **Exempt Payees and Payments.**—If you are exempt from backup withholding, you should complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part I, write "EXEMPT" in the block in Part II, cross out item (2) of the certification, sign and date the form. If you are a nonresident alien or foreign entity not subject to backup withholding, give the payer a completed Form W-8, Certificate of Foreign Status.

(5) **TIN "Applied For."**—Follow the instructions under *How to Obtain a TIN*, sign and date this form.

**Signature.**—For a joint account, only the person whose TIN is shown in Part I should sign the form.

**Privacy Act Notice.**—Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 20% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

## What Number to Give the Payer

For this type of account:	Give the SOCIAL SECURITY number of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship	The owner <sup>3</sup>

For this type of account:	Give the EMPLOYER IDENTIFICATION number of:
6. A valid trust, estate, or pension trust	Legal entity (Do not furnish the identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.) <sup>4</sup>
7. Corporate	The corporation
8. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
9. Partnership	The partnership
10. A broker or registered nominee	The broker or nominee
11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish.

<sup>2</sup> Circle the minor's name and furnish the minor's social security number.

<sup>3</sup> Show the name of the owner.

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust.

**Note:** If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

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ENCLOSED PLEASE FIND THE ATTACHMENT 2 FOR AN 1619, SUBJECT: OBTAINING TAXPAYER IDENTIFICATION NUMBERS FOR FARMERS PROGRAM (FP) BORROWERS.

THIS ATTACHMENT WAS INADVERTENTLY LEFT OFF IN PRINTING. WE REGRET ANY INCONVENIENCE THIS MAY HAVE CAUSED.

To: FARMERS HOME ADMINISTRATION  
1520 Market Street  
St. Louis, MO 63103  
Attn: FC-353, Computer Resources Branch

REPORT OF BORROWERS NOT PROVIDING SSNs

[illegible]

Signature of County Supervisor